

**BYLAWS OF
WAYPOINT LANDING PROPERTY OWNERS ASSOCIATION**

**ARTICLE I
OFFICE**

The initial principal office of the corporation (the "Association") in the State of Texas shall be located in Conroe, Montgomery County, Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

**ARTICLE II
MEMBERS' MEETINGS AND VOTING**

SECTION 1. Members. Members of the Association shall be made up of the property owners of WAYPOINT LANDING the "Property". The number of votes allocated for each Parcel owned shall be pursuant to the Declaration of Covenants, Conditions and Restrictions for the Property, as it may be amended from time to time, (hereinafter, the "Declaration") recorded in the Office of the County Clerk of Matagorda County, Texas.

SECTION 2. Voting. Action requiring a vote by the Members that the Association may take at any annual, regular or Special Meeting of Members may take place by written ballot cast in person at the meeting and/or by absentee ballot received prior to the meeting by U.S. Mail, overnight courier, facsimile, or other electronic means. Votes may not be cast by Proxy. The Association shall deliver a written ballot to every Member entitled to vote at the same time as Notice of the meeting is given which states that the completed ballot must be received prior to or at the meeting in order to be counted. Absentee ballots must comply with all of the following: a) Set forth each proposed action; b) Provide an opportunity to vote for or against each proposed action; c) Valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting; d) Does not authorize another person to cast votes on behalf of the Member; and e)

Specifies the time and date by which the ballot must be delivered to the Board in order to be counted (at least seven days after the date the ballot was delivered to the Member); and f) Shall provide for the name of the Member voting and their Lot number(s).

SECTION 3. Quorum. Unless otherwise stated herein or in the Declaration, when the number of absentee ballots received, along with the number of Members present in person at a meeting, represent at least forty percent (40%) the number of Members entitled to vote a quorum shall exist. The acts approved by a majority of the voting Members meeting the quorum requirement shall constitute the acts of the Members except when approval by a greater number of affirmative votes or of Members is required herein or by the Declaration. Required percentages of Members and votes shall be rounded to the next whole number for all voting matters.

SECTION 4. Notice of Meetings. The Association shall notify each Member of the date, time and place of each annual, regular or Special Meeting of the Members at least thirty (30) days, but not more than fifty (50) days before the meeting date, by written notice sent by mail to the address shown in the Association's records, postage prepaid. In the case of a Special Meeting, the purpose for which the meeting is called shall also be stated in the notice. Notice shall be deemed to be delivered forty-eight hours from being deposited in the United States mail.

SECTION 5. Annual Meeting. Directly after the Transition Meeting (turning over control of the Association from the initial Directors to the Association's Members), the newly elected Board may hold the Association's first Annual Meeting. Thereafter, the Annual Meeting shall be held on the first Saturday of February each year provided, however, that should said day fall upon a legal holiday, then any such Annual Meeting shall be held on the next succeeding Saturday which is not a legal holiday.

SECTION 6. Special Meetings. Special Meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, by a majority of the Board of Directors, or by Members holding at least thirty percent (30%) of the number of votes entitled to be cast. Notice of any Special Meeting shall state the time, place and purpose of the meeting including the general nature of any proposed amendment to the Declaration or Bylaws, any

proposed Special Assessments, and any proposal to remove a Director or Officer.

SECTION 7. Place of Meetings. The Board of Directors, the President or the Members calling the meeting, as the case may be, may designate any place, within the State of Texas, as the place of meeting for any Annual or Special Meeting.

ARTICLE III BOARD OF DIRECTORS

SECTION 1. Powers. Subject to the limitations of the Articles of Incorporation, the Declaration and these Bylaws, the affairs of the Association shall be exercised and managed by its Board of Directors. The Directors are vested with and shall have the following powers, to-wit:

A. To select, appoint and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation and these Bylaws; to fix any authorized compensation to employees, agents and service providers, and to require from them security for faithful service when deemed advisable by the Board.

B. To conduct, manage and control the affairs and business of the Association.

C. To change the principal office for the transaction of the business of the Association from one location to another and to adopt and use a corporate seal.

D. To borrow money and to incur indebtedness for the purposes of the Association, PROVIDING HOWEVER, any such indebtedness to be incurred must be approved by majority vote of the Members meeting a quorum, and if so approved, to cause to be executed and delivered, in the Association's name, promissory notes, bonds contracts, deeds of trust, mortgages, pledges or other evidences of debt and security therefore.

E. Subject to Article VII, to fix and levy annual Regular Assessments upon the Members of the Association, to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent provided, however, that such assessments shall be fixed and levied only to provide for the payment of the expenses of the Association and compensation to the Directors as provided for herein; and payment of taxes, assessments, and insurance upon real or personal property owned,

controlled or occupied by the Association as general common elements; or for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such general common elements for the general benefit and welfare of its Members. Should any Member fail to pay such assessments before delinquency, the Board of Directors, in its discretion, is authorized to enforce the payment of such delinquent assessments as provided in the Declaration.

F. To establish or levy Special Assessments in accordance with the terms stated herein and in the Declaration.

G. To specifically enforce the provisions of the Declaration and of these Bylaws, along with any other agreements of the Association.

H. To maintain liability and general property insurance on any common area and roadways and any other policy or policies of insurance as the Board of Directors deem necessary in furthering the purposes of and protecting the interest of the Association and its Members.

I. To contract and pay for maintenance, materials, supplies, and services relating to the common elements of the Property; the operation of the Association, including legal and accounting services; and to contract and pay for improvements and common expenses.

J. To establish reasonable rules and regulations for use of the common areas, provided however, any such rules or regulations must be approved by majority vote of the Members meeting the quorum requirement.

K. Directors need not be residents of the State of Texas.

L. To the extent permitted by the Declaration or by law, grant reasonable variances to provisions of the Declaration where, in the Board's opinion, strict adherence would cause undo hardship or in cases where the Members of the Association would, in the Board's opinion, benefit from said variance. Variances may be granted by a unanimous vote of the Directors if the Association has three or more Directors. If the Association has less than three (3) Directors or in the event of a tie vote of multiple Directors, variances may be granted by a two-thirds (2/3) majority vote of Members holding at least forty-five percent (45%) of the number of votes entitled to be cast.

SECTION 2. Limitations and Conflicts. The Board of Directors shall not act on behalf of the Association to amend the Declaration or determine the qualifications, powers and duties or terms of office of Board members. If any contract, decision, variance to a provision in the Declaration, or other action taken by or on behalf of the Board would benefit any member of the Board, or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board, or any parent or spouse of any of those persons, that Board member shall declare a conflict of interest for that issue in an open meeting of the Board before the Board discusses or takes action on that issue and may then vote on that issue. Any contract entered into or variance granted in violation of this Section is void and unenforceable. Any variance to the Declaration granted to a Director shall be decided by a unanimous vote of the remaining Directors (if there are more than three (3) remaining Directors), with the Director requesting the variance abstaining from the vote; or by the Members as provided for herein.

SECTION 3. Election, Number, Tenure and Qualifications.

Directors shall be Members of the Association and shall be elected annually by the Members at the Annual Meeting. The initial number of Directors shall be three (3). The number of Directors may be increased to a maximum of five (5) upon decision of the Members or the then acting Board. Each Director shall hold office until the next Annual Meeting and until his or her successor shall have been elected and qualified, unless removed from the Board as provided for herein. Family members, and Members sharing ownership and/or residency of a common Parcel or Parcels within the Property, may not serve on the Board or in office during the same time period, however they may serve on Committees appointed by the Board.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by, or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board may fix any place as the place for holding any special meeting of the Board called by them. Meetings of the Board shall be open to all Members of the Association and all Members shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings. The Board may place reasonable time restrictions on those persons speaking, but shall permit a Member to speak before the Board takes formal action on an item. The failure of any Member to receive actual notice of a meeting shall not affect the validity of any action taken at that

SECTION 11. Informal Action by Directors. Any action not requiring a vote of the Directors and not required by law, in these Bylaws, or in the Declaration to be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE IV OFFICERS

SECTION 1. Officers. The officers of the Association shall be President, Vice President, Secretary and Treasurer and such other officers as may be elected in accordance with the provisions of this Article. Any two or more offices may be held by the same person, except the offices of President and Secretary.

SECTION 2. Election and Term of Office. The officers of the Association must be Members and shall be elected annually by the Board of Directors at the regular Annual Meeting, unless provided for elsewhere in these Bylaws. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

SECTION 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the un-expired portion of the term.

SECTION 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He/she shall preside at all meetings of the Members and of the Board of Directors and

may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has the authority to sign and has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice President. In the absence of the President or in event of his/her inability or refusal to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

SECTION 7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such money in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

SECTION 8. Secretary. The Secretary shall: a) keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; c) be custodian of the corporate records; d) be custodian of the seal of the corporation (if one is used) and see that the seal is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; e) keep a register of the post office address of each Member which shall be furnished to the Secretary by such

Member; and f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

ARTICLE V COMMITTEES

SECTION 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of one (1) or more Directors; which committees, only to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; EXCEPT that no such committee shall have the authority of the Board of Directors, or the Association in matters requiring a vote of the Board or of the Members; or in reference to amending, altering or repealing these Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Association; amending or restating the Articles of Incorporation or the Declaration; adopting a plan of merger or adopting a plan of consolidation with another Association or corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. Notwithstanding the provisions set forth in Article V, Section 2, committees need not consist of Members in the Association. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it by him or her by law.

SECTION 2. Architectural Control Committee. At each Annual Meeting the Board of Directors, by resolution adopted by a majority of the Directors, the Directors shall appoint not less than two (2) nor more than five (5) either members of the Association, nonmembers of the Association, or any combination thereof to serve on the Architectural Control Committee. Any committee member so appointed may be removed by a resolution adopted by a majority of the

Directors whenever, in their judgment, the best interests of the Association would be served by such removal. The Committee may charge a \$250.00 review fee upon submittal of the plans, all or any portion of which may be paid to nonmembers of the Association serving on the Committee and/or placed in the Association's general fund. The Architectural Control Committee shall have the powers set forth in the Declaration of Covenants, Conditions and Reservations and shall carry out all duties referred to therein.

SECTION 3. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association, and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

SECTION 4. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Association and until his or her successor is appointed, unless the committee shall sooner be terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof.

SECTION 5. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

SECTION 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments and shall continue for the length of the remaining original term.

SECTION 7. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the

act of the committee.

SECTION 8. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws, the Declaration, or with rules adopted by the Board of Directors.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any authorized contract or execute and deliver any authorized instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. Once control of the Association has been turned over to the Members (the Transition Date), all checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issues in the name of the Association, shall be signed by two (2) separate officers of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Secretary or Treasurer and countersigned by the President or Vice President of the Association.

SECTION 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

ANNUAL BUDGET / ASSESSMENTS

A budget setting forth an estimate of anticipated basic Association expenses for the next fiscal year shall be prepared by the Board of Directors on which the annual Regular Assessments will be based. Such budget shall be distributed to Members not less than sixty (60) days from the end of

the current fiscal year as set forth in the Declaration. Basic expenses shall mean the estimated aggregate sum of expenses to be incurred by the Association during the upcoming fiscal year, as set forth in the budget. Such expenses shall include; the annual cost of normal maintenance, repair and improvement of the Property's interior roadways and any other Common Areas within the Property; insurance, management and operating costs of the Association (including any reserves necessary for future capital expenditures and maintenance). Any proposed change in the budget from the immediate preceding fiscal year that would result in an increase of more than fifteen percent (15%) in the amount of regular assessments must be approved by a 2/3 majority of the votes entitled to be cast by Members meeting a forty-five percent (45%) quorum. If the proposed increased budget is rejected, the budget for the new fiscal year shall not result in an increase of more than fifteen percent (15%) in the regular assessment amount from the preceding year. Establishing a Special Assessment for the purpose of constructing, repairing, reconstructing or replacing a capital improvement must be approved by a two-thirds (2/3) majority vote of Members representing a fifty-five percent (50%) quorum or as stated in the Declaration.

ARTICLE VIII ANNUAL REPORT

The Board of Directors shall distribute to all the Members, within forty-five (45) days after the fiscal year end, an annual report consisting of a balance sheet showing an accounting of all monies received by the Association and disbursed during the year and any other documents as determined by the Board of Directors.

ARTICLE IX RENTAL AND SALES

SECTION 1. Rentals. When a Member rents or leases his or her property within the development, he or she shall provide the renter/lessor with a copy of the Association's Bylaws, Articles of Incorporation, and a current copy of the Declaration of Covenants, Conditions, and Restrictions (together with any Amendments thereto) and shall include in the rental or lease agreement, a provision that the renter/lessor shall abide by the terms set forth in the documents. The

Member also shall supply a copy of the rental or lease agreement to the Board of Directors.

SECTION 2. Sales. When a Parcel is sold or conveyed to a subsequent party, prior to such conveyance, the selling Parcel owner (Member) or his or her agent shall supply the buyer or prospective owner with current copies of the Association's Bylaws, Articles of Incorporation and the Declaration of Covenants, Conditions, and Restrictions (together with any Amendments thereto). Within thirty (30) days of conveyance of any Parcel all new owners, as new Members in the Association, must provide the Association with their name, mailing address and any other pertinent contact information for purposes of assessments, voting and other Association matters.

ARTICLE X CONSTRUCTION

Nothing contained in these Bylaws shall in any way be construed as altering, amending, or modifying the current Declaration of Covenants, Conditions, and Restrictions (and any Amendments thereto). Such Declaration and these Bylaws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these Bylaws and such Declaration, the provisions of the Declaration shall control. All words and terms used in these Bylaws which are also in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

ARTICLE XI BOOKS AND RECORDS

The Association shall keep correct and complete books and records of accounting; and shall also keep minutes of the proceedings and meetings of the Board of Directors, committees having any of the authority of the Board of Directors, and meetings of the Members. All books and records of the Association may be inspected by the Members, without charge, for any proper purpose at a reasonable time within ten (10) days receipt of a written request, however, the subject matter of closed meetings may be kept confidential from later examination by Members.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year.

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions for Texas non-profit corporations or under the provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

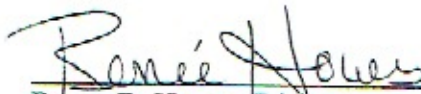
AMENDMENTS TO BYLAWS

After the Transition Date, the Board of Directors may amend these Bylaws to comply with current Texas Revised Statutes (as they may be revised from time to time) without the approval of the Members. For any other purpose the Board may only amend, adopt or repeal these Bylaws with approval from a majority vote of the Members representing a forty-five percent (45%) quorum in accordance with the provisions set forth in Article II, Section 2. In no event may these Bylaws be amended in such a way as to create a conflict with or violate Texas law or the provisions set forth in the Declaration (as may be amended).

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, being the persons appointed in the Articles of Incorporation to act as the Initial Board of Directors of the **Waypoint Landing Property Owners Association**, a non-profit Texas corporation, hereby assent to the

foregoing Bylaws and adopt the same as the Bylaws of said Association and said corporation.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the date first set forth above.


Renee D. Howes, Director


Deborah Onstott, Director